

Message Text

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PAGE 01 STATE 048860
ORIGIN XMB-04

INFO OCT-01 EUR-12 ISO-00 EB-08 L-03 AID-05 TRSE-00 /033 R

DRAFTED BY: XMB:DAVID O BEIM/MM
APPROVED BY: EB/IFD/ODF:FHTHOMAS
XMB:DAVID O BEIM EXECUTIVE VICE PRESIDENT
EUR/NE:RAWOODS

-----060153 043722 /73

R 042150Z MAR 77
FM SECSTATE WASHDC
TO AMEMBASSY HELSINKI

UNCLAS STATE 048860

ATTN AMB AUSTAND FROM DAVID BEIM EXECUTIVE V.P. EXIMBANK

E.O. 11652: N/A

TAGS: EFIN, FI

SUBJECT: EXIMBANK CREDIT/GUARANTEE NOS. 5801/5802

1. I HAVE REVIEWED WITH MY STAFF THE FACTS OF THE CASE YOU
BROUGHT TO MY ATTENTION. THE MATTER WAS HANDLED BY MY DEPUTY
IN MY ABSENCE ON FEBRUARY 23.

THE FACTS ON EXIMBANK'S LOAN TO FINNAIR ARE AS FOLLOWS:

PURPOSE: PURCHASE OF FOUR MCDONNELL DOUGLAS DC-9-50 JET
AIRCRAFT, SPARE PARTS, AND EQUIPMENT.

AUTHORIZED: 2/6/75 SIGNED: 3/24/76 OPERATIVE: 4/16/76

INTEREST: 8 PERCENT

AVAILABILITY DATE: FEBRUARY 28, 1977
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FINAL MATURITY: SCHEDULE A 1/15/86 9 SEMIANNUAL INSTALLMENTS
SCHEDULE B 4/15/87 9 SEMIANNUAL INSTALLMENTS

AMOUNT: AUTHORIZED: \$15,600,000 - 100 PERCENT (40 PERCENT
OF AGGREGATE COSTS)

DISBURSED: \$13,362,295 - 86 PERCENT

UNDISBURSED:\$2,237,705 - 14 PERCENT

2. AN EXTENSION OF AVAILABILITY FOR TWO MORE YEARS WAS SOUGHT FOR THE PURPOSE OF PURCHASING SOME OF THE SPARE PARTS. OUR STAFF FOUND THIS INAPPROPRIATE. WE ARE USUALLY WILLING TO ALLOW THE INCLUSION OF A SMALL COMPLEMENT OF SPARES AT THE TIME AIRCRAFT ARE PURCHASED, BUT AS A MATTER OF POLICY, WE DO NOT OFFER LONG-TERM FINANCING ON SPARE PARTS TAKEN SEPARATELY. THESE ARE SHORT-TERM ITEMS IN OUR SCHEME OF THINGS.

3. WE WOULD BE PLEASED TO CONSIDER A SHORT EXTENSION OF THE LOAN (E.G. THROUGH JUNE 30, 1977) IF FINNAIR PROPOSES TO PURCHASE THE SPARES AT THIS TIME. IF FINNAIR DOES NOT WISH TO PURCHASE SPARES AT THIS TIME, THEN THE SPARE PARTS ARE A SEPARATE TRANSACTION AND SHOULD BE FINANCED SEPARATELY IN OUR SUPPLIER CREDIT PROGRAMS. WE CAN ASSURE FINNAIR THAT OUR SUPPLIER CREDIT PROGRAMS ARE OPEN TO THEM WITHOUT RESTRICTION. TERMS WOULD BE FIVE YEARS REPAYMENT AND OUR ROLE WOULD BE TO GUARANTEE OR INSURE THE BANK OF THEIR CHOICE WHICH MADE THE LOAN.

4. PLEASE CALL ME IF YOU WISH TO DISCUSS THIS MATTER FURTHER.
CHRISTOPHER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Control Number: n/a
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Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
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